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ROYAL COMMISSION ON RAILWAYS AND TRANSPORTATION

MEMORANDUM

ONTARIO GOOD ROADS ASSOCIATION



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ROYAL COMMISSION ON RAILWAYS AND TRANSPORTATION
MEMORANDUM OF ONTARIO GOOD ROADS ASSOCIATION

The Ontario Good Roads Association was organized in 1894 and has the distinction of being the oldest organization in Canada established for the purpose of promoting road improvement by education, sane legislation and equitable imposition of taxes for road construction and maintenance.

The membership of the Association comprises the leading municipalities in the Province, including all the Counties and at the Annual Convention, which for forty-two years has been held in the City of Toronto, the registered attendance of representatives from Counties, Townships, Cities, Towns and Villages is seldom less than eight hundred.

The Association has functioned under nine Provincial administrations and has co-operated with and assisted all to carry forward the programme of highway improvement which has proven such a great asset to the Province. It was largely responsible for the Highway Improvement Act of 1901 and has given its approval and active support to every piece of progressive legislation since that date.

In 1894 when our Association began to function there were no motor vehicles in Ontario or Canada. Notwithstanding that fact road improvement was a problem which had to be dealt with for it was felt that the prosperity and progress of the Province was severely handicapped as a result of the poor condition of our highways. An extensive campaign

of education began in 1895 and continued for the next five years which promoted the passing of the Highway Improvement Act, which was passed by the Legislature in 1901, and under the provisions of which a million dollars was set aside for expenditures in Counties which would adopt a County Road System and conduct it in accordance with the conditions specified in the Act.

Owing to the fact that many County Councils did not approve of these conditions, only a few began to operate under the Act and for the next ten years following the passing of the Act only nine Counties in the Province of Ontario came under its operation. It should be noted that many Counties in the Province had, for years previous to the passing of the Highway Improvement Act, maintained County roads which were free to all using them. Counties that did not come under the Act continued to spend money on their County roads and as a result of amendments which were made in 1917, the balance of the Counties in the Province, amounting to some seventeen, adopted the County Road System and began to operate under the provisions of the Act.

The Municipalities represented by our Association are particularly concerned with Paragraph 5 of the Order-in-Council dealing with the contributory costs by the Municipalities directly or otherwise, and statements supplied by the Officials of the Highway Department to the Commission show the total amount of approved Highway work since 1901 and the amount contributed respectively by the Province and the Counties.

Expenditures by the Townships are also shown since subsidies were first granted by the Province in 1920 and the amount contributed by the Township and the Province.

These statements will show that on Government approved work there was an expenditure of approximately \$130,000,000.00 made, on which the Government contributed subsidies amounting to \$61,000,000.00 or 47%. It should be noted, however, that a majority of the Counties did not adopt the Good Roads System until 1917 and the expenditure on all work done previous to that date cost the Counties 100%. Furthermore, the Counties operating under the Good Roads System which did work not approved of by the Highway Department received no Government grant for such work.

So far as the Townships are concerned no Government grant was paid until 1920 and then only 20%. Later this was increased to 40% and last year to 50% and the percentage paid by the Government on Township work approved of has, since 1920, averaged about 32%.

In 1929 a Royal Commission was appointed in England to investigate all phases of motor vehicle traffic and the cost of road construction and maintenance, with a view to arriving at a definite opinion as to what percentage should be paid by those using the Highways.

The report of the Commission stated that two-thirds was a reasonable figure and that the balance should be borne by other interests. Two years later a Royal Commission was appointed under the Chairmanship of Sir Lyman Duff by the

Ottawa Government and the report of that Commission bore out to a very considerable extent the report of the British Royal Commission with regard to distribution of road costs.

Assuming that the findings of these two Commissions are approximately correct it is quite evident that the Municipalities of the Province of Ontario are bearing a much higher share of the costs of highway construction and maintenance than is fair or equitable. It is generally conceded that highway construction and maintenance should be paid for by those:

- (a) who use the roads,
- (b) who benefit by them.

Those who use the roads are, of course, owners of vehicles of all kinds and all those engaged in road transportation whether by horse drawn or motor vehicle. At the present time no tax is imposed on horse drawn vehicles and the total amount of revenue received by our Government from road taxes is composed entirely of contributions made by motor vehicle owners.

As regards those who benefit, we have first the Federal Government which largely because of improved highways and the coincident increase in the number of motor vehicles has derived up to the present from customs, excise duties and sales tax on motor vehicles and motor vehicle parts a total of at least \$300,000,000.00. Our Federal Government also uses the highways for the distribution of rural mail and as the development of trade and commerce is a particular duty

of the Federal Government, assigned to it under the British North America Act, it must be said that it benefits very materially by reason of improved highways. In this connection, the Department of Trade and Commerce estimates that during the present year the tourist business in Canada will reach approximately \$300,000,000.00, and by far the greater part of this has been developed because of our improved highways.

Next in line in the way of benefits is our Provincial Government, which, under the British North America Act, controls our highways and which imposes and collects all highway taxes, which it is estimated will reach this year the imposing total of \$27,000,000.00: and lastly comes our Municipalities and considering the benefits which they receive as compared to our Federal and Provincial Governments it must be admitted that the proportion of highway taxation imposed on them entirely exceeds the benefits received.

As regards the tourist business to which reference has been made it is true that the chief benefits accrue to the larger urban centres and while the increased business is a distinct advantage to those engaged in certain lines, the Municipality as a whole receives no direct advantage and has placed upon it the additional burden of maintaining connecting links of Provincial highways and also the additional expense in connection with the streets within its limits. There is also the consideration that a number of motor vehicles and particularly commercial motor vehicles seldom go outside the city limits and nevertheless they contribute to the Provincial

revenues in license fees and other traffic taxes. It would seem, therefore, only just and equitable that consideration should be given to assist cities and towns separated from the County organization in the maintenance of roads which serve as connecting links for Provincial traffic.

In considering taxation imposed for highway improvement consideration should be given to the administration and to the efficiency shown by the authorities in the construction and maintenance of our several classes of highways, which we have in the Province, is carried out.

Since the Municipal Act was enacted in 1849 Townships and Counties were given the right to expend money and improve their highways, and many of the roads in the Province were improved by the Townships under the path-master system and later under the system of commutating statute labor. The Counties, however, have been the real road builders so far as the Province is concerned and long before the Highway Improvement Act was passed in 1901 a number of Counties had provided for the construction and maintenance of the more important roads within their limits and the expenditure for this work was provided for by taxation levied on the rate-payers. It can be said, therefore, that so far as expenditure is concerned the County Councils have had a larger and more varied experience in road construction and maintenance than our Provincial Highway Department which was not a factor until after the Provincial Highway Act was passed in 1917.

At the present time every County in the Province

has a qualified engineer acting as Road Superintendent and under whose supervision all road work is carried on. Associated with him is a Committee of experienced men appointed by the County Council and these men with a qualified engineer and with the necessary mechanical equipment look after the administration, construction and maintenance of the roads included in their County road system. The construction and maintenance of the 8000 miles of secondary roads controlled by the Counties are efficiently looked after and probably more economically than could be done under any other administration or authority.

It is the usual experience that the more distant work is carried on from the centre of authority and control the greater the cost and it is the consensus of opinion of the County Councils of the Province of Ontario that the work of constructing and maintaining over 8000 miles of County roads, comprising the County Road System, can be directed and supervised more efficiently and at less expense to the taxpayer from the local County Court House than from the City of Toronto.

Experience has proven that the set-up which we have in the Province of Ontario where our roads are classified into "Township", "County" and "Provincial", each class under a distinct and separate jurisdiction, has justified itself by results.

No other Province in the Dominion of Canada even approaches the Province of Ontario in the progress which has

been made in road improvement in the last twenty-five years and it is conceded that the Province of Ontario alone of all the Provinces in the Dominion of Canada compares favourably with the leading States to the south in the classification, co-ordination and progressive improvement of our roads and highways.

Government records show that in the five years ending March 31st, 1937, there was contributed by the Province of Ontario in the way of subsidies to Township roads \$6,129,141.00, and to County roads \$8,418,830.00, and the expenditure on the King's Highways was \$31,628,214.00. During the same period the Province received almost \$125,000,000.00 in revenue which properly belonged to the Highway Improvement Fund, thus leaving a difference between the receipts and expenditures in favour of the Province of around \$79,000,000.00. Against this sum, however, it is proper to charge the carrying charges on the net highway debt, amounting to about \$70,000,000.00 and also a reasonable percentage of the cost of the road work in Northern Ontario, a greater part of which was undertaken as a relief measure and also as a colonization project. The fact remains that after these deductions are made there is a surplus running into millions of dollars between the amount which the Province has expended and the amount which it has received over the five year period.

Some thirteen years ago the subsidies to the Counties made by the Government was increased from 40 to 50% and at that time the total registration of motor vehicles in

Canada was 728,000 of which almost 50% were in the Province of Ontario. In 1937 the registration of motor vehicles in Canada exceeded over 1,300,000 of which 600,000 were in the Province of Ontario. During the period from 1925 to 1937 the revenue collected from road traffic taxation paid to the Government increased from \$15,219,211.00 to over \$27,000,000.00. It seems, therefore, most unfair that while the Provincial revenue collected from highways has shown an increase of almost 100% and a similar increase in motor cars which our roads have to carry no increase has been made to assist the Counties in the heavier burden which they have had to shoulder in the way of highway improvement. It is also a fact that during the same period there has been a very substantial increase in the number of motorists entering the Province of Ontario from the neighbouring Provinces and the United States, and as a result, and also because of the depressed condition of agriculture, the Counties of the Province have found it impossible to maintain their roads as they should be maintained.

The result is a very pronounced deterioration in the condition of our County roads throughout the Province and unless a more equitable percentage of the funds paid to the Province in road taxes is turned over to the Counties the present unsatisfactory condition of our roads will continue to grow worse.

Beginning April 1st, 1935, the Counties were relieved of 20% of the cost for Provincial highways. Previous to that date in a number of Counties almost all roads under the Provincial Highway System had been constructed and debentures

issued by the Counties to pay their share of the 20% levy required of them. The result is that these Counties are at present paying a substantial mill rate to meet debts on Provincial Highways and an additional rate for debts incurred for the construction of County roads. With such a burden of debt it is unreasonable to expect that these Counties can adequately maintain their roads on the 50% subsidy that was fixed some thirteen years ago under entirely different conditions.

The argument is advanced that because of the construction and heavy expenditure on Provincial Highways that the County roads have been relieved of a considerable amount of County road traffic. The fact is that the opposite is the case and attached hereto is a statement from the County of Wentworth, one of the few Counties in the Province of Ontario that has kept an accurate road traffic census for the last fifteen years. Wentworth County is one of the smaller Counties in the Province and it has ten Provincial Highways running through it, a greater number than any other County in the Province of Ontario. If the construction of Provincial Highways would relieve County road traffic in any County it should be in Wentworth County. Yet we find that over a ten year period in the County of Wentworth that the traffic census on County roads has increased over 100% and traffic increase in 1937 over the preceding year was 20%.

Year	Road Mileage	Total Expenditure	Grant from Government	Net Cost to Ratepayers	Average Traffic Census Per 24 Hrs.
1921	180	\$253,442.92	\$106,923.50	\$146,519.42	
1922	180	282,343.98	127,674.02	155,669.96	
1923	180	251,318.71	118,769.73	133,548.98	
1924	185	222,283.36	95,289.67	126,993.69	
1925	155	213,045.05	103,448.87	109,596.18	290
1926	155	227,724.34	108,361.78	119,362.46	310
1927	155	205,601.41	102,074.63	103,526.78	355
1928	160	228,698.11	110,896.63	117,801.48	410
1929	165	244,977.44	122,700.60	122,276.84	415
1930	145	258,656.60	128,466.08	130,190.52	450
1931	155	198,658.60	94,160.80	104,497.80	500
1932	155	149,020.39	73,039.74	75,980.65	590
1933	145	104,479.44	50,338.63	54,140.81	595
1934	145	168,897.63	93,985.60	74,912.03	598
1935	187 $\frac{1}{2}$	143,294.08	72,776.24	70,517.84	600
1936	187 $\frac{1}{2}$	138,286.15	67,946.43	70,339.72	600
1937	187 $\frac{1}{2}$	153,000.00	75,000.00	77,500.00	694

A perusal of this statement will show that while there has been a continual decrease in the expenditure made on County roads in the County Road System since 1922 there has been a continual and progressive increase in traffic over County roads during the same period and the inevitable result has been a serious deterioration in the Wentworth County Road System.

A contributory factor also in the poor condition of our Municipal roads is their unrestricted use by motor vehicles that transport loads entirely in excess of the capacity of secondary roads to carry such loads without suffering severe injury.

In conclusion our Association respectfully submit the following suggestions:

- (1) That the construction and maintenance of our Municipal Highways shall remain as now under the direct control of our Municipal authorities.
- (2) That an increase be made in the subsidies to Counties, sufficient to enable them to adequately construct and maintain their roads.
- (3) That the provisions of Sections 7 and 8 of the Highway Improvement Act be rigidly carried out and all monies collected from road traffic sources be used for Highway expenditure only.
- (4) That a well considered plan of highway improvement extending over a definite period should be formulated and the

annual expenditure on construction and maintenance of our Provincial roads and Municipal roads should be carried out in an orderly and systematic manner, so that as far as possible an even balance could be maintained between the annual receipts from highway traffic and the annual expenditure for road improvement.

- (5) That consideration be given to the claim of Municipalities separated from Counties for some assistance in the construction and maintenance of roads serving as connecting links for County and Provincial Highways.
- (6) That the several thousand worn out and obsolete bridges and culverts in our County and Township Road Systems should be replaced with structures adequate to serve present and future traffic requirements and to encourage the Municipalities to undertake this work, with as little delay as possible, a special subsidy in excess of the grant to ordinary highway work should be given.

